



**NATURAL  
RESOURCES**  
COMMITTEE · DEMOCRATS  
RANKING MEMBER, PETER DeFAZIO

**OPPOSE H.R. 4899: REPUBLICAN “DRILL EVERYWHERE” BILL**  
***REPUBLICANS REHASH OUT-OF-TOUCH BILL THAT PUTS BIG OIL PROFITS FIRST,  
AMERICAN CONSUMERS AND THE ENVIRONMENT LAST***

For the fourth consecutive year, Republicans are bringing the same tired, anti-environment, anti-taxpayer drilling proposals to the House Floor. Containing all the same provisions of the unserious Republican offshore (H.R. 2231) and onshore (H.R. 1965) energy bills that passed the House last year and died on arrival in the Senate, H.R. 4899 ignores the reality of America's oil and gas boom and recklessly endangers our Atlantic and Pacific coasts and Western public lands by overturning environmental protections and mandating drilling at all costs. And those costs would be tremendous, as the bill drains billions of dollars from the treasury and directs it to just four states.

***Domestic Energy Production is Already Booming:*** Domestic oil production is at a 25-year high, net imports are at a 29-year low, and BP said the U.S. in 2013 experienced “one of the biggest oil production increases the world has ever seen.” We are expected to surpass Saudi Arabia as the world's top oil producer in the coming years. We are already the world's top natural gas producer, and have set new domestic production records for three consecutive years. This boom has happened under President Obama, without this Republican legislation that threatens tourism, hunting, fishing, local communities, our coasts, our parks, and our wilderness areas.

***Production on Federal Lands is Skyrocketing:*** Republicans falsely claim that the boom is happening only on private lands. Onshore oil production from federal lands is up nearly 30% since 2008.

***More Drilling Does Not Mean Cheaper Gasoline:*** Contrary to Republican dogma, increased domestic production is not bringing any relief at the pump. Domestic oil production is up over 60% since 2008, yet gas prices are unchanged.

***We Still Haven't Enacted Safety and Environmental Reforms in Response to the BP Spill:*** With domestic production booming, now is the time to *enhance* drilling safety, not weaken it. More than four years after the BP spill, Congress has yet to enact a single legislative reform to improve the safety of offshore drilling. Further, by prohibiting the consideration of measures developed under the National Ocean Policy to protect the interests of commercial fishermen, anglers, tourists, and other ocean users, this bill makes it more likely that massive spills, slow responses, and inadequate cleanup efforts will hurt coastal communities and ecosystems.

***Environmental Protections Need to be Strengthened, not Gutted:*** Communities across the nation are experiencing the negative side of the domestic oil and gas boom, such as degraded water quality, fragmented landscapes, and the loss of hunting and fishing grounds. But the Republican bill shortcuts environmental reviews, mandates rushed lease sales, discourages public participation, and overturns the multiple-use principle that has guided federal land management for decades.

***Companies Simply Want to Ship American Oil Abroad:*** America is already serving as the world's gas pump, with gasoline and diesel exports reaching over a half billion barrels a year, nearly quadruple the amount in 2007. Now Big Oil says we have a glut of crude oil and they're fighting to overturn the longstanding crude oil export ban. H.R. 4899 would just make it easier for hugely-profitable oil companies to access more American oil that they'll try to send overseas for higher prices.

***Diverts Federal Revenue to Select Group of States:*** The energy resources located on the Outer Continental Shelf, and any revenue they produce, belong to *all* Americans; H.R. 4899 diverts millions in OCS revenues from the Treasury to a small group of coastal states, when the federal budget is in crisis.

## **SUMMARY OF H.R. 4899**

### **TITLE I – OFFSHORE ENERGY AND JOBS**

Subtitle A upends the existing 5-year offshore oil and gas leasing planning process by requiring the Secretary of the Interior to: conduct lease sales from Maine through North Carolina, off Southern California, and in the Arctic Ocean; establish an arbitrary production goal for new leasing; and complete a new 5-year program in an unrealistic timeframe that would not allow for a full environmental review. Subtitle A also allows states to opt in to a leasing program, but does not allow them to opt out.

Subtitle B requires lease sales to be held off the coast of Virginia, South Carolina, and Southern California in short order, and mandates an expedited environmental impact statement that does not consider any no-leasing alternatives.

Subtitle C diverts money from the general fund to coastal states that have new offshore leasing as a result of the bill. Subtitle F doubles the revenue sharing cap in the Gulf of Mexico Energy Security Act, potentially bringing the total loss to the federal treasury up to \$30 billion.

Subtitle D is an unnecessarily complex codification of the reorganization of the Minerals Management Service that the Administration has called “duplicative, ineffective and [would] result in undue expense.” This subtitle also establishes permanent inspection fees for offshore platforms and rigs. Significantly, the subtitle blocks the Administration from taking any action based on the National Ocean Policy.

Subtitle E extends provisions of the OCS Lands Act to U.S. territories.

Subtitle G places restrictions on the ability of citizens and environmental groups to challenge offshore leasing decisions, while ensuring that the industry’s legal rights are protected.

### **TITLE II – ONSHORE FEDERAL LANDS AND ENERGY SECURITY**

Subtitle A creates a 60-day deadline for the review of permits to drill, and deems permits automatically approved at the deadline, whether or not all the required safety, environmental, cultural, or tribal reviews are completed. It establishes a \$5,000 fee for people to file protests to leases or drilling permits, eliminates the ability to protest leases in many cases, forbids payment of legal fees under the Equal Access to Justice Act for anyone challenging energy projects, automatically denies protests that haven’t been adjudicated within 60 days, and makes other judicial reforms making it tougher to challenge agency decisions on energy matters. The subtitle also turns over control of the onshore leasing system to the industry by mandating that leasing occur on 25% of whatever public lands the industry nominates every year, regardless of whether or not drilling would be appropriate in those areas, and eliminates the Administration’s onshore leasing reforms.

Subtitle B overturns the multiple-use principle under which our federal lands have been managed for decades and replaces it with 4-year-plans that require the Secretary of the Interior to elevate energy and mineral production at all costs. Hunting, fishing, recreation, grazing, conservation and the many other ways that the American people enjoy our public lands would all be secondary uses of those lands.

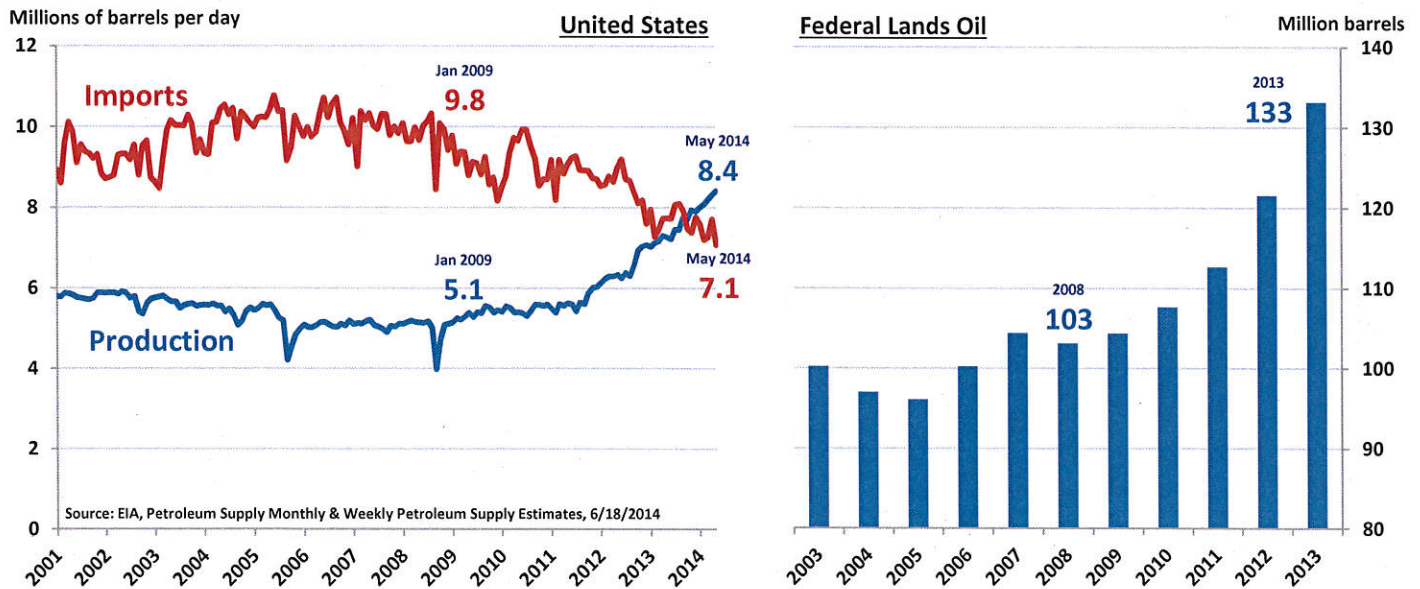
Subtitle C would prevent the Interior Department from conducting proper review of oil and gas development in the National Petroleum Reserve–Alaska by imposing artificial and unnecessary deadlines. This title would require action on drilling permits within 60 days, and require the Bureau of Land Management to develop a plan for rights-of-way to ensure that all leasable tracts are within 25 miles of roads and pipeline, effectively requiring the establishment of an enormous road and pipeline network in the Arctic wilderness before industry has indicated where they intend to produce oil and gas.



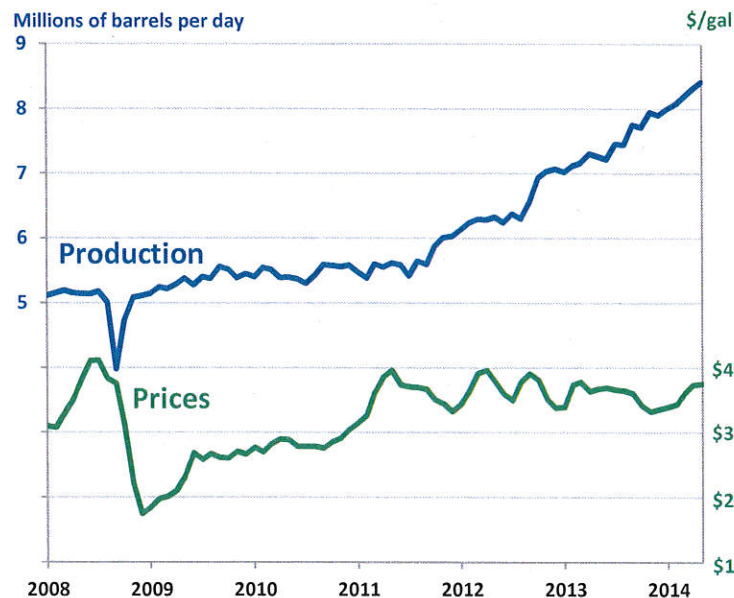
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## H.R. 4899 Republican Drill Everywhere Bill Charts and Graphs

*Under President Obama: Oil production **up 65%**; Imports **down 28%**; Federal onshore oil production **up 29%***

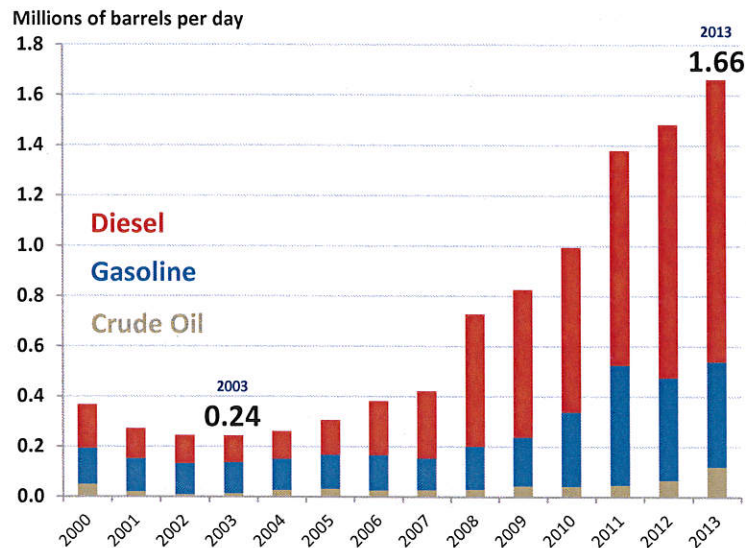


### More Production Has Not Lowered Prices



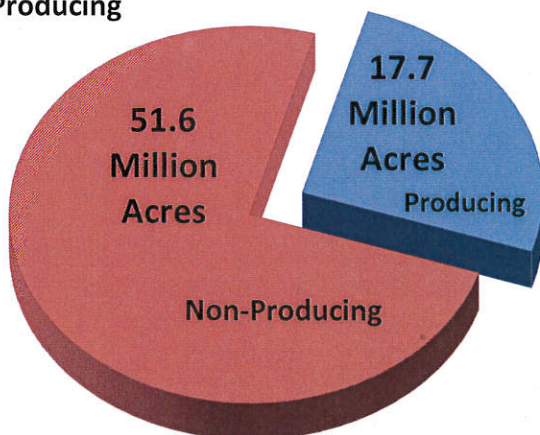


Exports are soaring: Companies are sending over  
**1.6 million barrels of crude, gasoline, and diesel overseas each day**



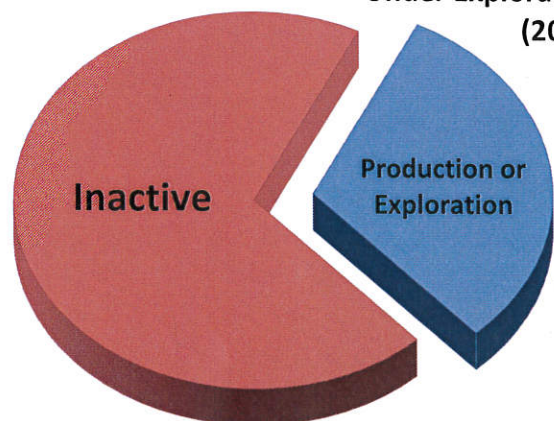
2014 Average: **244,000 barrels of crude** exported to Canada each day

74% of Leased Acres  
Not Producing



Source: BLM Public Land Statistics 2014;  
 BOEM Combined Leasing Report June 2014

64% of Leased Acres Not Producing or  
Under Exploration  
(2012)



Source: DOI Oil and Gas Lease Utilization,  
 Onshore and Offshore, June 2012



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## FACTS AND STATS ON AMERICAN ENERGY

### Production

U.S. Crude Oil Production, May 2008: 5.1 million bbl/day

U.S. Crude Oil Production, May 2014: 8.4 million bbl/day

Peak U.S. Oil Production: 10.0 million bbl/day (Nov. 1970)

Price of Gasoline, May 2008: \$3.82

Price of Gasoline, May 2014: \$3.75

U.S. Natural Gas Production, Mar 2008: 71.1 billion cubic feet/day

U.S. Natural Gas Production, Mar 2014: 86.3 billion cubic feet/day

Peak U.S. Natural Gas Production: Now

Federal onshore oil production, 2008: 103 million barrels

Federal onshore oil production, 2013: 133 million barrels

Increase in federal onshore oil production since 2008: 29%

*Incorrect Republican claim: "All production growth is from state and private land, not federal land."*

Federal offshore oil production, 2008: 450 million barrels

Federal offshore oil production, 2013: 477 million barrels

EIA projected offshore oil production, 2016: 732 million barrels

*Record #s of deepwater rigs and high drilling activity since Deepwater Horizon driving EIA projection.*

Number of Offshore Drilling Safety Reforms Enacted by Congress after Deepwater Horizon: 0

### Imports and Exports

Amount of Crude Oil imported, May 2008: 9.9 million bbl/day

Amount of Crude Oil imported, May 2014: 7.1 million bbl/day

% import dependence, 2008: 57.0%

% import dependence, 2014: 29.7%

Crude Oil Exported, 2008 Average: 29,000 barrels per day (all to Canada)

Crude Oil Exported, April 2014: 268,000 barrels per day (all to Canada)

Gasoline and Diesel Exported, 2003: 240,000 barrels per day

Gasoline and Diesel Exported, 2013: 1,660,000 barrels per day

### **Financial**

Revenue already being diverted from Treasury to LA, TX, MS, and AL through 2055: \$20 billion  
Additional revenues diverted by H.R. 4899 to LA, TX, MS, and AL: \$15 billion

Combined Profits by Big Five Oil Companies, 2005-2010: \$546 billion  
Change in U.S. workforce of Big Five Oil Companies, 2005-2010: 11,200 jobs lost

### **Resources**

Total oil resources on the Outer Continental Shelf: 88.6 billion barrels  
Oil resources available for leasing on the Outer Continental Shelf: 67.7 billion barrels  
% of oil resources available for leasing: 77%  
*Meaningless Republican Stat that refers to area, not oil: 85% of the OCS is "under lock and key"*

Total gas resources on the Outer Continental Shelf: 398 trillion cubic feet  
Gas resources available for leasing on the Outer Continental Shelf: 307 trillion cubic feet  
% of gas resources available for leasing: 77%

### **Idle Leases Offshore**

Acres available for lease during current offshore leasing plan: 220 million acres  
Offshore acres under lease: 33.2 million acres  
Offshore acres under lease that aren't producing oil or gas: 28.1 million acres  
% of offshore acres under lease that aren't producing: 85%

### **Idle Leases Onshore**

Onshore acres under lease: 36.1 million  
Onshore acres not in production: 23.5 million  
% of onshore acres not producing: 65%  
Drilling permits approved but not drilled, at end of FY13: 6,711



# Republican Drilling Bills: Same Stale Bills Passed Since 2011

H.R. 4899 Section	Description	H.R. 1229 (5/11)	H.R. 1230 (5/11)	H.R. 1231 (5/11)	H.R. 3408 (2/12)	H.R. 4480 (6/12)	H.R. 6082 (7/12)	H.R. 2231 (6/13)	H.R. 1965 (11/13)
10101	Outer Continental Shelf Leasing Program Reforms			✓	✓			✓	
10102	Domestic Oil and Natural Gas Production Goal			✓	✓			✓	
10103	New 5-Year Oil and Gas Leasing Program						✓ (effectively)	✓	
10104	Offshore Sanctions Section							✓	
10201	Lease Sale 220 - Virginia	✓	✓		✓	✓		✓	
10202	South Carolina Lease Sale						✓ (effectively)	✓	
10203	Southern California Lease Sale				✓ (effectively)		✓	✓	
10204	Environmental Impact Statement Requirement				✓ (CA only)		✓	✓	
10205	National Defense				✓ (effectively)		✓	✓	
10206	Eastern Gulf of Mexico Not Included				✓		✓	✓	
10301	Revenue Sharing with non-GOM states							✓	
10401-10407	MMS Reorganization Sections							✓	
10408	OCS Energy Safety Advisory Board							✓	
10409	OCS Inspection Fees							✓	
10410	National Ocean Policy Prohibition							✓	
10501	Territorial OCS				✓			✓	
10601	GOMESA II Rule Deadline							✓	
10602	GOMESA Cap Lifting				✓ (at \$750M)	✓ (at \$750M)		✓	
10701	Time for Filing Complaint	✓						✓	
10702	District Court Deadline	✓						✓	
10703	Ability to Seek Appellate Review	✓						✓	
10704	Limitation on Scope of Review and Relief	✓						✓	
10705	Legal Fees	✓						✓	
10706	Exclusion							✓	
21002	Buying, Building, and Working for America				✓	✓			✓
21111	Permit to Drill Application Timeline					✓			✓
21121	Administrative Protest Documentation Reform					✓			✓
21131	Making Pilot Offices Permanent					✓			✓
21132	EPACT 390 CatEx Extraordinary Circumstances					✓			✓
21141-21148	Judicial Review					✓			✓
21151	Funding Oil and Gas Resource Assessments								✓
21202	Minimum Acreage Requirement for Lease Sales					✓			✓
21203	Leasing Certainty					✓			✓
21204	Leasing Consistency					✓			✓
21205	Reduce Redundant Policies					✓			✓
21206	Streamlined Congressional Notification								✓
21302	Oil Shale Regulations				✓				✓
21303	Oil Shale Leasing				✓				✓
21401	Onshore Sanctions Section								✓
22002	Quadrennial Strategic Plan					✓			✓
23002-23006	NPR-A Sections					✓			✓
23007	NPR-A IAP Deadlines								✓
23008	NPR-A Resource Assessment					✓			✓
24002	Internet-Based Onshore Oil and Gas Lease Sales					✓			✓